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FM AMEMBASSY ULAANBAATAR
TO RUEHC/SECSTATE WASHDC 2198
INFO RUEHBJ/AMEMBASSY BEIJING 6186
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RUEHTA/AMEMBASSY ASTANA 0047
RUEHKO/AMEMBASSY TOKYO 3061
RUEHUL/AMEMBASSY SEOUL 3386
RUEHRO/AMEMBASSY ROME 0050
RUEHBK/AMEMBASSY BANGKOK 1824
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SUBJECT: POSITIVE REACTION TO PRESIDENT'S GLOBAL FOOD SECURITY
INITIATIVE

REF: A: State 52628; B: State 53353
SENSITIVE BUT UNCLASSIFIED - NOT FOR INTERNET DISTRIBUTION.

¶1. (U) Post met May 27 with the Mongolian Food and Agriculture Ministry's State Secretary, N. Batsuuri, to solicit his reaction to previously provided points on the President's Global Food Security Initiative (ref A) and to relay Administration's efforts to urge food-exporting countries to remove export restrictions on food products (ref B).

¶2. (SBU) Batsuuri stressed to Econoff and Econ Assistant that the opinions he shared with us were entirely personal and did not, as yet, reflect official positions of the Government of Mongolia (GOM). Although he had not yet had an opportunity to share the information with Cabinet members, he noted that the information would be useful in helping the GOM solidify its official position on food-price increases in the run-up to the Food and Agricultural Organization's World Food Security Conference from June 3 to 5. (Note: Batsuuri's assistant, Mr. Buyannemekh, later confided to us that final government policy on the issue would likely resemble much of what Batsuuri told us. End Note.)

¶3. (U) Batsuuri said he very much supported President Bush's efforts, especially the idea of urging food exporters to lift restrictions on food exports. As the United States is one of the world's largest food exporters, he felt this set a good example. Mongolia has been adversely affected by such policies, he reported. 70% of Mongolia's wheat is imported, mostly from Russia and Kazakhstan. High Russian export taxes on wheat, and Kazakhstan's cessation of wheat exports until September, have both been major factors in recent price increases on wheat and flour in Mongolia. Batsuuri expressed frustration that the WTO forbids member countries from implementing import restrictions but has no similar rules toward exports. He indicated that he hopes the U.S. will take a leading role in proposing amendments to existing WTO rules to limit export restrictions. Since 80% to 90% of WTO countries are importer countries, he felt that an export restriction rule would gain wide support from organization members.

14. (U) On the issue of Biotechnology and Genetically Modified Foods, Batsuuri, like many others involved in Mongolia's agricultural sector, expressed support for its use. However, he said Mongolia lacks the capacity to develop or implement it at this time. The few populist politicians and scientists who were railing against it had little knowledge of Mongolia's agricultural sector, he said.

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